

## Reinsurance Intermediary Contract Checklist

Reinsurance Intermediaries Pursuant to IC 27-6-9

**NOTE:** Please indicate where the following information is located in the contract.

Statute/ Regulation	Requirement	Located	Dept Use Only	
			Yes	No
27-6-9-21 (1)	The reinsurer may terminate the contract for cause upon written notice to the RM, and may suspend the authority of the RM to assume or cede business during the pendency of any dispute regarding the cause for termination.			
	Comments:			
27-6-9-21 (2)	The RM will: <ul style="list-style-type: none"> <li>a. render accounts to the reinsurer accurately detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing to, the RM and</li> <li>b. remit all funds due under the contract to the reinsurer on not less than a monthly basis.</li> </ul>			
	Comments:			
27-6-9-21 (3)	All funds collected for the reinsurer's account will be held by the RM in a fiduciary capacity in a bank which is a qualified United State's financial institution. The RM may retain no more than three (3) months estimated claims payments and allocated loss adjustment expenses. The RM shall maintain a separate bank account for each reinsurer that it represents.			
	Comments:			
27-6-9-21 (4)	For at least ten (10) years after expiration of each contract of reinsurance transacted by the RM, the RM will keep a complete record for each transactions showing the following:			
	a. The type of contract, limits, underwriting restrictions, classes or risks, and territory.			
	b. Period of coverage, including effective and expiration dates, cancellation provisions and notice required of cancellation, and disposition of outstanding reserves on covered risks.			
	c. Reporting and settlement requirements of balances.			
	d. Rate used to compute the reinsurance premium.			
	e. Names and addresses of reinsurers.			
	f. Rates of all reinsurance commissions, including the commissions on any retrocessions handled by the RM.			
	g. Related correspondence and memoranda.			
	h. Proof of Placement.			
	i. Details regarding retrocessions handled by the RM, as permitted by section 23 (d) of this chapter, including the identity of retrocessionaires and percentage of each contract assumed or ceded.			
	j. Financial records, including premium and loss accounts.			
	k. When the RM places a reinsurance contract on behalf of a ceding insurer.			
	(i) directly from any assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk; or			
	(ii) if placed through a representative of the assuming reinsurer, other than an employee, written evidence that the reinsurer has delegated binding authority to the representative.			
	Comments:			

Statute/ Regulation	Requirement:	Located	Dept Use Only	
			Yes	No
27-6-9-21 (5)	The reinsurer will have access and the right to copy all accounts and records maintained by the RM related to its business in a form usable by the reinsurer.			
	Comments:			
27-6-9-21 (6)	The contract cannot be assigned in whole or in part by the RM.			
	Comments:			
27-6-9-21 (7)	The RM will comply with the written underwriting and rating standards established by the insurer for the acceptance, rejection, or cession of all risks.			
	Comments:			
27-6-9-21 (8)	The rates, terms, and purposes of commissions, charges, and other fees which the RM may levy against the reinsurer.			
	Comments:			
27-6-9-21 (9)	If the contract permits the RM to settle claims on behalf of the reinsurer the following apply:			
	a. All claims will be reported to the reinsurer in a timely manner.			
	b. A copy of the claim file will be sent to the reinsurer at its request or as soon as it becomes known that the claim:			
	(i) has the potential to exceed the lesser of an amount determined by the commissioner.			
	(ii) Involves a coverage dispute.			
	(iii) may exceed the RM's claims settlement authority.			
	(iv) is open for more than six (6) months; or			
	(v) is closed by payment of the lesser of an amount set by the commissioner or an amount set by the reinsurer.			
	c. All claim files will be the joint property of the reinsurer and RM. However, upon an order of liquidation of the reinsurer, the files shall become the sole property of the reinsurer or its estate, and the RM shall have reasonable access to and the right to copy the files on a timely basis.			
	d. Any settlement authority granted to the RM may be terminated for cause upon the reinsurer's written notice to the RM or upon the termination of the contract. The reinsurer may suspend the settlement authority during the pendency of the dispute regarding the cause of termination.			
	Comments:			
27-6-9-21 (10)	If the contract provides for a sharing of interim profits by the RM, that those interim profits will not be paid until one (1) year after the end of each underwriting period for property business and five (5) years after the end of each underwriting period for casualty business (or a later period set by the commissioner for specified lines of insurance) and not until the adequacy of reserves on remaining claims has been verified under section 23(c) of this chapter.			
	Comments:			
27-6-9-21 (11)	The RM will annually provide the reinsurer with a statement of its financial condition prepared by an independent certified accountant.			

Statute/ Regulation	Requirement	Located	Dept Use Only	
			Yes	No
	Comments:			
27-6-9-21 (12)	The reinsurer shall periodically (at least semi-annually) conduct an on-site review of the underwriting and claims processing operation of the RM.			
	Comments:			
27-6-9-21 (13)	The RM will disclose to the reinsurer any relationship it has with any insurer prior to ceding or assuming any business with that insurer pursuant to the contract.			
	Comments:			
27-6-9-21 (14)	The acts of the RM shall be considered to be the acts of the reinsurer on whose behalf the RM is acting.			
	Comments:			